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H. CON. RES. 121

Expressing the sense of the Congress in support of the creation of a North American Development Bank.

IN THE HOUSE OF REPRESENTATIVES

JULY 14, 1993

Mr. TORRES (for himself, Mr. BECERRA, Mr. BERMAN, Mr. BROWN of California, Mr. COLEMAN, Mr. FILNER, Mr. PETE GEREN of Texas, Mr. GIBBONS, Mr. GUTIERREZ, Mr. HASTINGS, Mr. LEWIS of Georgia, Ms. MCKINNEY, Mr. MARTINEZ, Mr. MATSUI, Mrs. MEEK, Mr. PASTOR, Ms. PELOSI, Mr. RANGEL, Ms. ROYBAL-ALLARD, Mr. SAWYER, Ms. SCHENK, Mr. SERRANO, Mr. STOKES, Mr. TOWNS, and Ms. WOOLSEY) submitted the following concurrent resolution; which was referred to the Committee on Banking, Finance and Urban Affairs

CONCURRENT RESOLUTION

Expressing the sense of the Congress in support of the creation of a North American Development Bank.

Whereas the North American Free Trade Agreement (NAFTA) has the potential to expand trade between the United States, Canada, and Mexico, creating economic growth and high-wage jobs for American workers;

Whereas NAFTA has the potential to foster strengthened economic ties between the United States, Canada, and Mexico, and to improve cooperation on issues of mutual concern, such as environmental protection and worker rights, where cooperation is essential for future progress;

Whereas it is in the interest of the United States to seek expanded cooperation with Mexico, a country with which we share a border of nearly 2,000 miles and longstanding ties of history, family, and culture;

Whereas NAFTA has the potential to lead to a net increase in jobs in the United States, but will also require difficult adjustments by certain import-sensitive United States industries and workers;

Whereas the United States-Mexico border region suffers from serious infrastructure deficiencies, particularly in Hispanic border communities known as “colonias” that often lack safe drinking water, access to medical care, adequate schools, and other infrastructure that should be available to every American;

Whereas the United States-Mexico border region also suffers from serious environmental degradation, stemming from rapid and unregulated economic growth;

Whereas the expansion of trade between the United States, Canada, and Mexico would require additional infrastructure, including new highways, transportation networks, and communications links to support expanded flows of goods and services under NAFTA;

Whereas the upward convergence of environmental standards and practices within North America will require major investments in new technologies and environmental infrastructure;

Whereas the border regions pose particularly difficult problems for cross-border coordination, financing, and implementation of projects to improve environmental infrastructure and reduce air and ground water pollution;

Whereas many necessary environmental and infrastructure projects cannot be financed by private financial institutions, local governments, or communities;

Whereas American businesses, particularly small and minority-owned businesses, would require access to capital to take advantage of the economic opportunities potentially created by NAFTA and to create more jobs in the United States;

Whereas it is essential that displaced United States workers be given adequate training and support to enable them to find new employment and take advantage of the new economic opportunities created by NAFTA;

Whereas a North American Development Bank would be a means of providing capital to facilitate adjustments during the transition in order to ensure that no region or sector of the United States suffers a disproportionate share of the burdens created by NAFTA;

Whereas additional public investment by Mexico will help generate economic growth and jobs, and help reduce pressures for illegal immigration to the United States;

Whereas the Congress recognizes the need to create an institution able to provide capital for projects which will enhance regional economic development and jobs, and accelerate upward convergence of environmental and living standards on both sides of the border;

Whereas it is in the interest of the United States to create a North American Development Bank to promote the use of private capital and firms in activities which affect, in a positive way, the environmental infrastructure of the region and to provide employment opportunities and

training in new skills necessary to take advantage of NAFTA; and

Whereas a North American Development Bank is needed in order to supplement the efforts of other international financial institutions to direct financial and technical assistance to those regions of North America which present opportunities for economic developmental cooperation: Now, therefore, be it

1 *Resolved by the House of Representatives (the Senate*
2 *concurring)*, That it is the sense of the Congress that—

3 (1) the United States, Mexico, and Canada
4 should jointly establish a North American Develop-
5 ment Bank to—

6 (A) promote the investment of public and
7 private capital for development purposes, in-
8 cluding viable projects which provide worker re-
9 training and employment for those workers dis-
10 placed by the effects of the North American
11 Free Trade Agreement;

12 (B) use capital of the bank, funds raised
13 by the bank in financial markets, and other
14 available resources to finance environmental im-
15 provement, infrastructure, and community and
16 social development projects, giving priority to
17 projects that will contribute most effectively to
18 environmental improvement, regional economic
19 growth, and jobs;

1 (C) encourage private investment in eco-
2 nomically viable projects, enterprises, and ac-
3 tivities that contribute to environmental im-
4 provement and economic development, and sup-
5 plement private investment when private capital
6 is not available on reasonable terms and condi-
7 tions;

8 (D) provide technical assistance in the
9 preparation, financing, and implementation of
10 development plans and projects, including the
11 study of priorities and the formulation of spe-
12 cific project proposals; and

13 (E) promote and stimulate conditions con-
14 ducive to the flow of private capital, foreign and
15 domestic, into productive investment in projects
16 which improve environmental infrastructure, re-
17 duce air and ground water pollution, and result
18 in sustainable use of natural resources; and

19 (2) any agreement providing for the establish-
20 ment of such a bank should ensure that—

21 (A) the purposes of the bank are as set
22 forth in paragraph (1);

23 (B) the bank is initially capitalized by
24 funds from the United States, Mexico, and
25 Canada;

1 (C) the authorized capital of the bank is
2 \$5,000,000,000, of which \$1,000,000,000 is
3 paid-in capital;

4 (D) the United States provides $\frac{2}{3}$ of the
5 capital of the bank;

6 (E) all powers of the bank are vested in a
7 Board of Directors whose members are appor-
8 tioned based on the quantity of shares held by
9 the member countries;

10 (F) an oversight board reflecting regional
11 constituencies is established in the bank to ad-
12 vise the executive directors regarding the merits
13 of proposed projects and to offer technical ex-
14 pertise to support the bank;

15 (G) an Office of Ombudsman is established
16 in the bank to serve as liaison between the bank
17 and the public;

18 (H) the bank is authorized to extend loans,
19 financial assistance, loan guarantees, and tech-
20 nical assistance to governmental agencies, local
21 governments, nonprofit organizations, and pri-
22 vate institutions;

23 (I) the bank provides support only to
24 projects that can be made economically feasible

1 with Bank financing and that are projected to
2 provide an adequate return to the bank;

3 (J) an objective scoring system is devel-
4 oped to assess the effectiveness with which
5 projects supported by the bank use resources
6 provided by the bank;

7 (K) communities adversely affected by
8 NAFTA are able to recommend projects de-
9 signed to relieve or ameliorate such effects;

10 (L) a wide spectrum of organizations, in-
11 cluding local, State, and Federal governments,
12 local and national agencies, community-based
13 and other nonprivate organizations, and busi-
14 nesses are able to submit project proposals;

15 (M) lending by the bank in nonborder
16 areas is apportioned among projects in the
17 United States, Canada, and Mexico based on
18 each country's respective share of the paid-in
19 capital of the Bank; and

20 (N) as a condition of receiving support
21 from the bank, a project will be required to
22 comply with domestic environmental and labor
23 standards.

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